

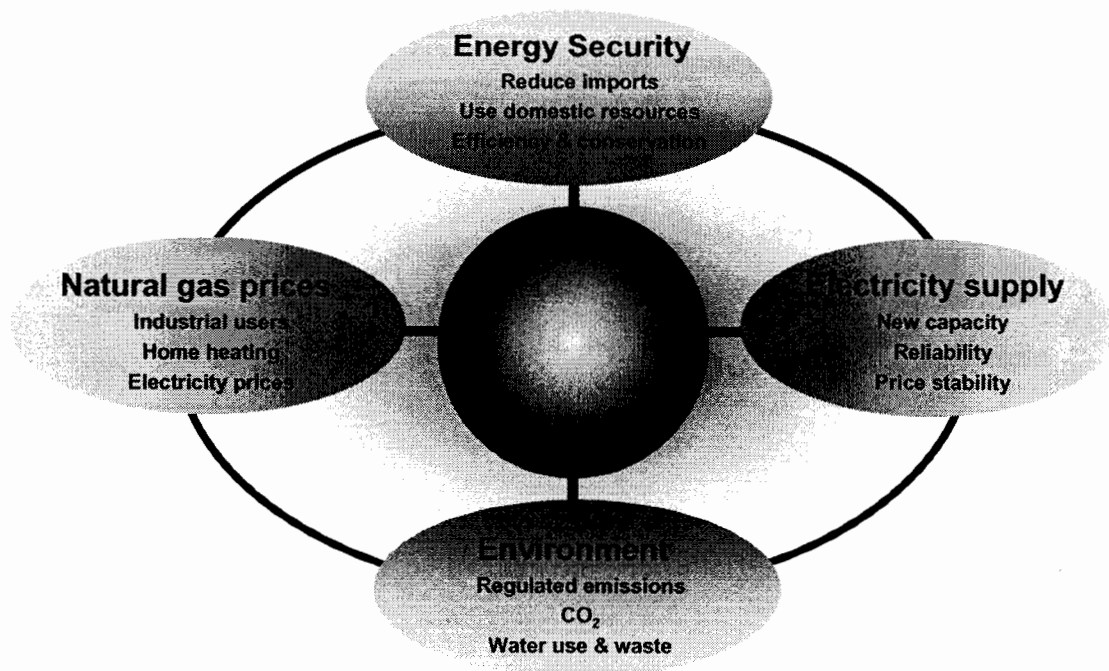
# **Alternative Fuel Sources** or **Clean Coal** **Is Not An** **Oxymoron**

## **Wisconsin Governor's IGCC Task Force Wabash Tour**

Feburary 13,2006

David Hadley  
Commissioner  
Indiana Utility Regulatory Commission  
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## **Energy Policy Issues**

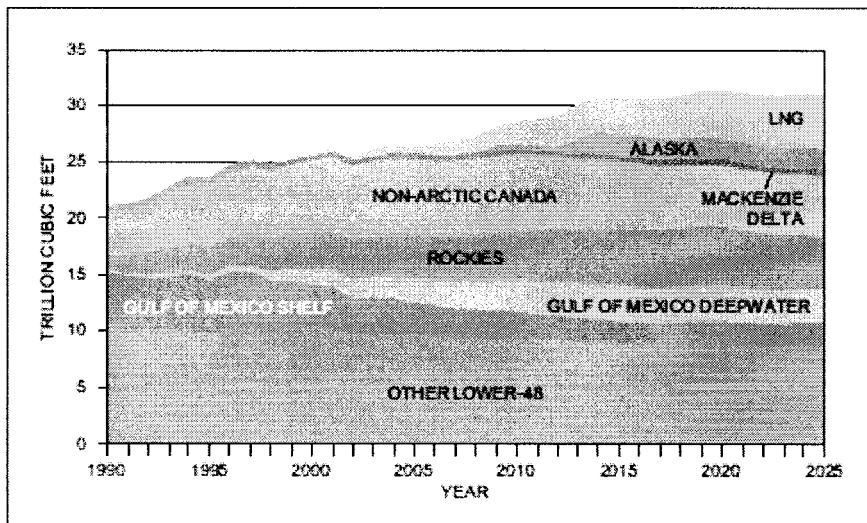


# National Energy Policy

- Use more natural gas
- Since 1993 over 90% of all new generation is gas
- Demand now exceeding U. S. supply
- Deny access to “new gas”
- Depend on LNG

## U.S. Natural Gas Supply

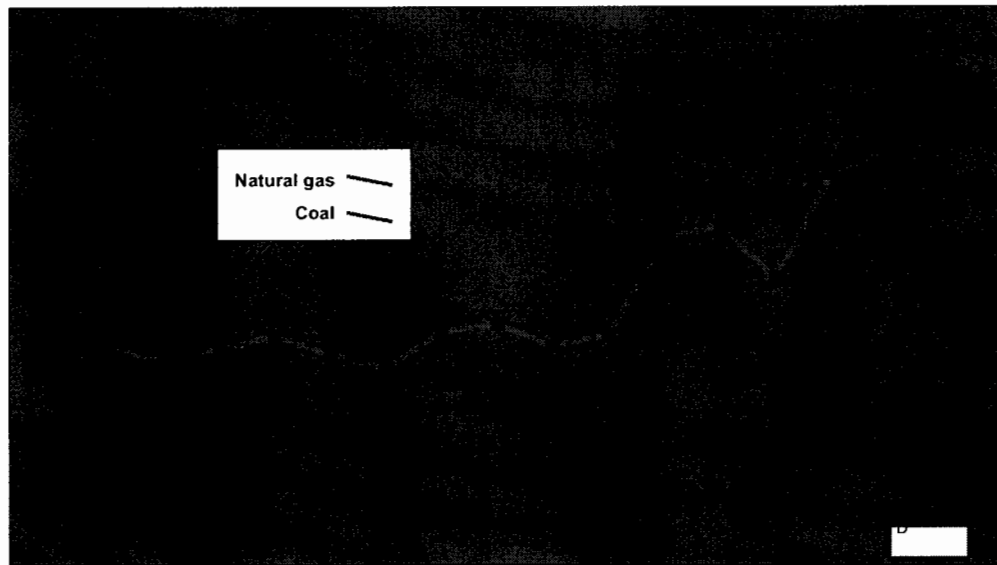
Most incremental supply after 2005 projected to come from LNG imports & Alaska pipeline



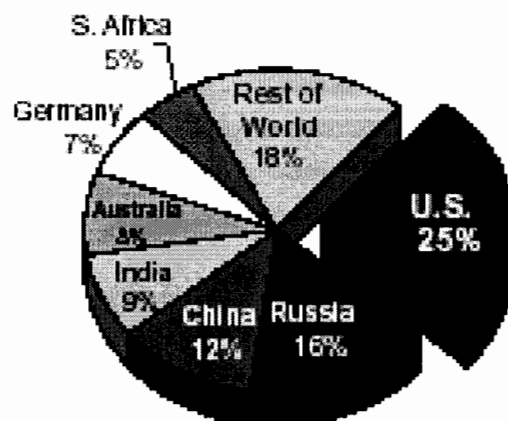
Source: National Petroleum Council, "Balancing Natural Gas Policy," Sept. 2003.

# Natural Gas Challenge

→ High demand + uncertain supply = high prices & volatility



## World Coal Reserves

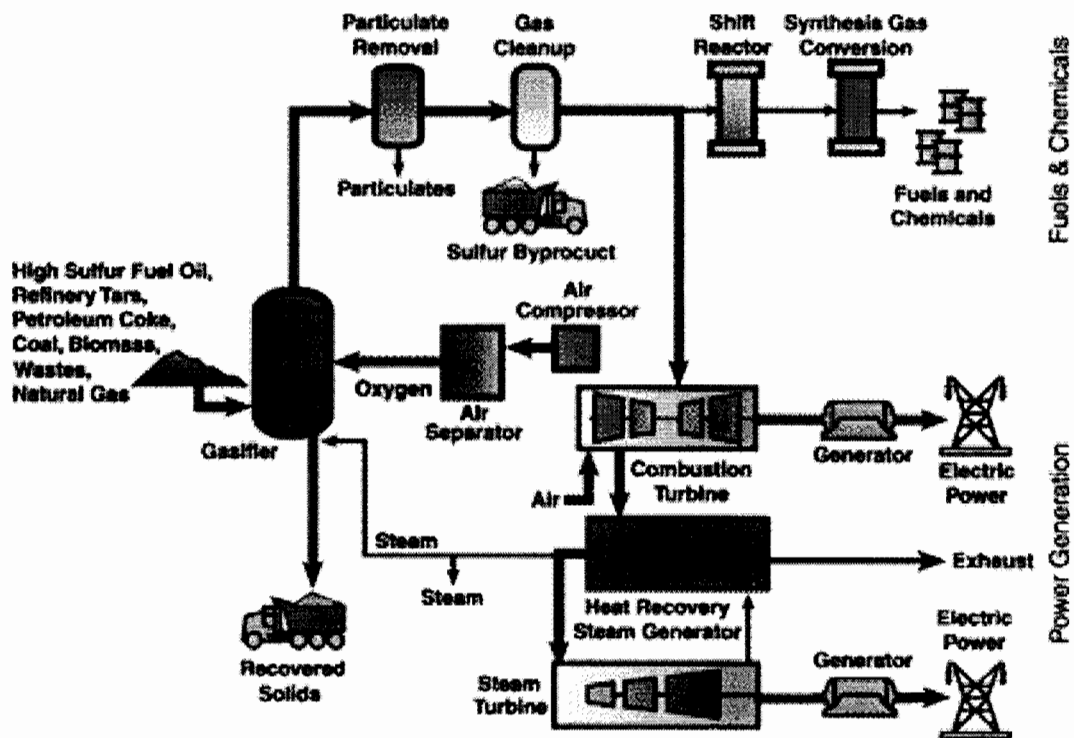


In contrast U.S. holds:

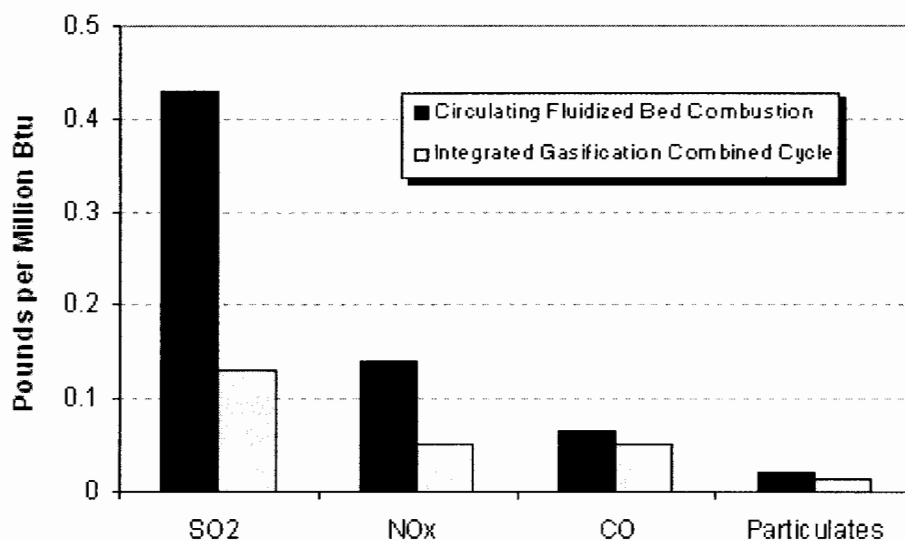
- 2% of world oil reserves
- 3% of world natural gas reserves

*"The best way  
to predict the  
future...  
is to create it."*

## Integrated Gasification Combined Cycle IGCC

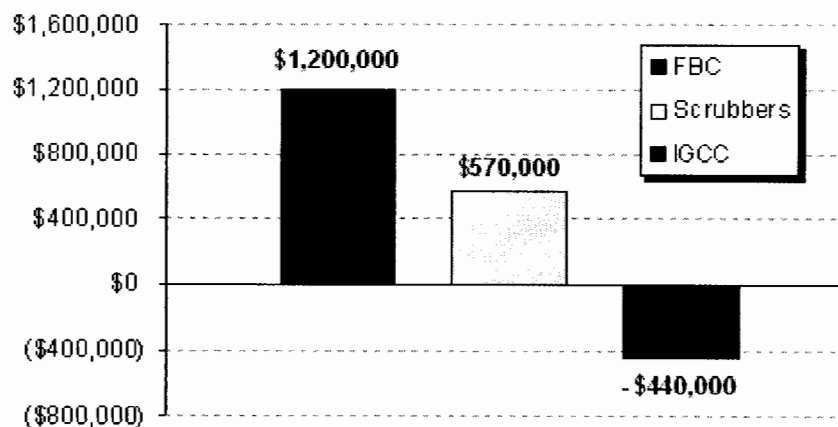


### Air Emissions of IGCC vs. Fluidized Bed Power Generation using Petroleum Coke



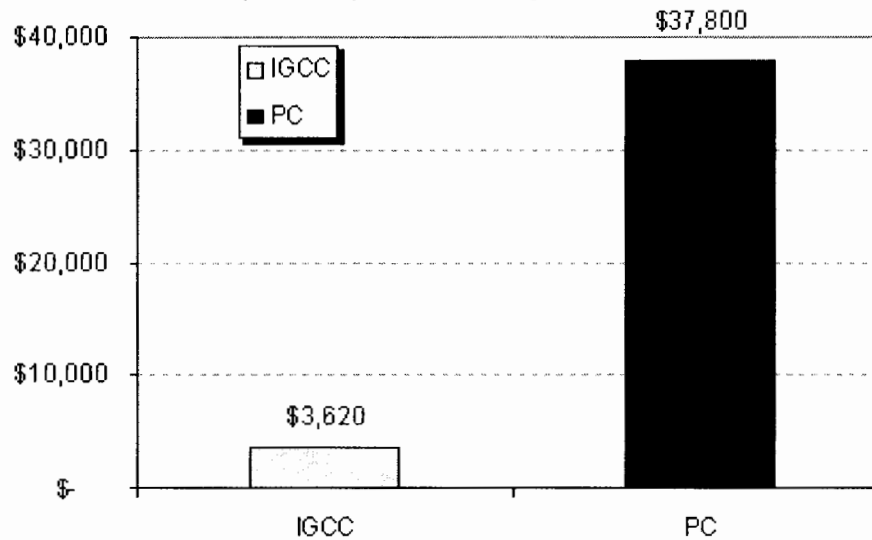
### Net Annual Solid Waste Disposal Costs of Power Generation Technologies Using Petroleum Coke

(Dollars per year)



### IGCC Offers Lowest Cost Mercury Removal

(Dollars per lb. Mercury removed)



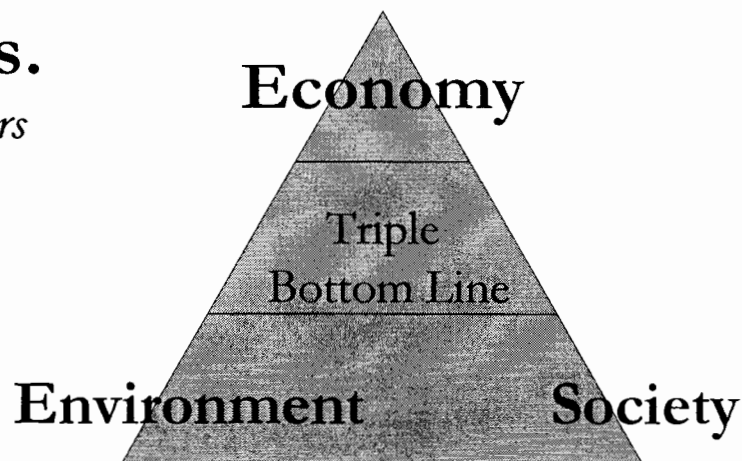
## IGCC Technology Offers the *Potential* to Significantly Improve:

- Generation Efficiency
- Utilization of Existing Coal Infrastructure
- Reduce Air Emissions
- Spinning Reserves
- By-Products
- Customer Satisfaction
- Legal Position
- Regulatory Certainty
- Stranded Assets

## While at the Same Time:

- Help Reduce Pressure on Natural Gas
  - Helps Improve Supply & Price for Other Sectors of Economy
  - Helps Improve Economic Development
  - Helps Maintain U.S. Jobs
  - Help Reduce U.S. Dependence on Imported Fuels
  - Support National Energy & Homeland Security
- 
- Sustainability is to create value for all shareholders.

*Jim Rodgers*



*Joseph E. Fiksel*

